

## Education Committee

### SHB 1418

**Brief Description:** Establishing a statewide dropout reengagement system.

**Sponsors:** House Committee on Education (originally sponsored by Representatives Kagi, Priest, Sullivan, Walsh, Pettigrew, Roberts, Dickerson, Quall, Seaquist, Sells, Appleton, Hunt, Haler, Pedersen, Orwall, Ormsby, Hasegawa, Conway, Kenney, Maxwell, Santos, Probst, Driscoll, Goodman and Nelson).

#### Brief Summary of Bill

- Creates a statewide dropout re-engagement system for youth aged 16 to 21 who have dropped out of school or are not expected to graduate by age 21.
- Requires the Educational Service Districts (ESDs) to manage model contracts and inter-local agreements between school districts and program providers who may be community and technical colleges or community-based organizations.
- Requires school districts to make high quality dropout re-engagement programs available to eligible students, either directly, under contract, or through the model agreement with the ESD.
- Directs the Office of the Superintendent of Public Instruction to adopt rules and develop model contracts and inter-local agreements to be used in the system.
- Specifies minimum program components and allows state per-student funding to be allocated directly to the ESD.

**Hearing Date:** 1/15/10

**Staff:** Barbara McLain (786-7383).

#### Background:

Students are eligible to receive education in a public school until the age of 21 or completion of a high school diploma, whichever is sooner. School districts have broad authority to contract with colleges, community-based organizations, or other education providers to provide educational

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services. School districts that use basic education dollars for these services must meet certain criteria established by rules that are intended to assure that the contracted services meet the purpose of basic education program requirements.

A number of school districts have created programs for older youth who have dropped out of school and are so far behind in accumulating credits that graduation before the age of 21 is unlikely. Some districts offer their own programs through an alternative high school; others contract with community and technical colleges or community-based organizations. In some cases, one school district acts as a contracting and fiscal agent on behalf of multiple districts in the region, and students from other districts enroll in the non-resident district using the state's "Choice" laws.

In recent years a number of school districts have terminated their contracted dropout re-engagement programs. Reasons cited include lack of clarity in state laws and rules governing these contracts. At least one school district has been the subject of audit findings for noncompliance with rules governing expenditure of basic education dollars. The Office of the Superintendent of Public Instruction (OSPI) has made several special adaptations to the rules, including on an emergency basis, in an attempt to provide clarity.

When high school students enroll in the Running Start program, colleges receive a payment of basic education dollars from the school district that is calculated at a uniform statewide average rate per full-time-equivalent (FTE) student, including enhancements for vocational courses. For the 2009-10 school year, this is approximately \$4,850. The school district keeps 7 percent of the allocation for administrative purposes. Every enrolled FTE student generates a payment to the school district from the Student Achievement Fund, which amounts to \$131 per FTE in 2009-10.

One of the recommendations from the Building Bridges Dropout Prevention, Intervention, and Retrieval Workgroup in its 2008 report to the Legislature was to establish a statewide dropout retrieval system with a single, comprehensive regulatory framework to govern retrieval programs.

### **Summary of Bill:**

A statewide dropout re-engagement system is created to provide education and services to older youth who have dropped out of school or are not expected to graduate from high school by the age of 21. Under the system, Educational Service Districts (ESDs) act as brokers and managers of model inter-local agreements and contracts between school districts and dropout re-engagement program providers. School districts are required to make high quality dropout re-engagement programs available to eligible students, either directly or under contract or agreement. Current authority of school districts to contract for program services is not affected.

Students eligible for dropout re-engagement programs are those aged 16 to 21 who are so credit deficient that completion of a high school diploma before age 21 is not reasonable, or are recommended by social service or juvenile justice system case managers. Students must enroll in their resident school district.

Dropout re-engagement programs must offer:

- academic instruction, including GED preparation, academic skills, and college and work readiness preparation, that generates high school credit for a diploma and has the goal of academic and work readiness;
- instruction by certified teachers or college instructors whose credentials are established by the college;
- case management, counseling, and resource and referral services; and
- opportunity for qualified students to enroll in college courses tuition-free if the program provider is a college.

Program providers must offer these program components and comply with the accountability requirements of the model contract, as well as cooperate with the resident school district or the ESD in cases where special education services are needed.

Under the system, the ESDs have the following responsibilities:

- identify and contract with program providers in the region, create partnerships, and identify other sources of funding that could be leveraged for the program;
- serve as liaison between school districts and program providers;
- monitor program performance and compliance with contract terms; and
- manage enrollment and student data reporting and financial billing to the state on behalf of school districts.

An ESD can create a separate agreement with a school district to provide special education services for students in the programs.

School districts who enter the inter-local agreement for the dropout re-engagement system must:

- enroll and refer eligible resident students;
- provide special education services in cooperation with the program provider or under separate contract with the ESD; and
- provide student data to the ESD.

The OSPI, in consultation with stakeholders, creates statewide model contracts and inter-local agreements to be used in the dropout re-engagement system and adopts rules for the program. The OSPI also provides information on its web-site describing high quality dropout re-engagement programs to provide guidance to school districts that choose to offer programs rather than enter an agreement with the ESD.

Workforce Development Councils are encouraged to develop strategies for leveraging workforce investment funding with funding for dropout re-engagement programs, participate in offering programs and services, and work with the ESDs.

The OSPI allocates the statewide average per-FTE student basic education funding, plus the Student Achievement Fund allocation, to the ESD directly for each FTE student enrolled in a dropout re-engagement program. The ESD retains 5 percent of the allocation for administration, and the school district receives 2 percent. The remainder goes to program providers through the model contract. For all other funding, including the state special education excess cost allocation, students enrolled in the dropout re-engagement program are considered regularly enrolled students of the resident district, but they do not count against a district's basic education staffing ratio compliance.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.